

## **REMARKS**

In the Office Action, the Examiner maintained the rejection of claims 1-20 under 35 U.S.C. § 102(a) or (e) as being anticipated by U.S. Patent Application Publ. No. 2003/0036993 to *Parthasarathy* ("*Parthasarathy*") and rejected claims 3-20 under 35 U.S.C. 112, first paragraph, as allegedly containing subject matter not described in the specification.

In this Response filed with a Request for Continued Examination, Applicants have amended independent claims 1, 3, 12, and 20 to expressly recite features inherent in the original words of the claims. Claims 1-20 are pending.

### **35 U.S.C. § 112, First Paragraph Rejection**

In the Office Action, the Examiner alleged that the subject matter of the amendments reciting "incorporating unaltered the attributes from the lender's offer to lend and the attributes from the borrower's offer to borrow" in claims 3, 12, and 20 is new matter because it does not appear to be in the originally filed specification. Applicants have amended claims 3, 12, and 20 so as to no longer recite the phrase specified by the Examiner, rendering this rejection moot.

In this response, Applicants have amended claims 3, 12, and 20 to recite "creating a secured loan between the lender and the borrower if the lender's firm offer to lend matches the borrower's firm offer to borrow, without an option to alter the attributes of the firm offer to lend and the firm offer to borrow." This subject matter is described in the originally filed specification in Figure 1, steps 505, 515, and 520 (and accompanying text); Figure 2 (and accompanying text); paragraphs 31, 58, 60-64, and 123-128; and in as-filed claim 1, among other places. For example, as shown in Figures 1 and 2, after a participant submits a new offer to enter into a loan transaction,

such as an offer to borrow \$100,000 at a 4.35% interest rate for 30 days putting up Microsoft common stock as security (step 505), the system compares the specified attributes of this new offer with the existing offers to lend money (step 515), and if there is a match, creates a secured loan between the lender and the borrower if the lender's firm offer to lend matches the borrower's firm offer to borrow according to the unaltered attributes of the offers, without an option to alter the attributes of the firm offer to lend and the firm offer to borrow (step 520). (See specification paragraphs 28-30).

### 35 U.S.C. § 102 Rejections

In order to properly anticipate claims 1-20 under 35 U.S.C. § 102, *Parthasarathy* must explicitly disclose each and every element recited in the claims. See M.P.E.P. § 2131 (8th ed., May 2004 rev.). If *Parthasarathy*, however, fails to expressly set forth a particular limitation, then the Examiner must show that this limitation is inherently disclosed to substantiate a claim of anticipation. See *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999). To establish inherency, the Examiner must specifically identify extrinsic evidence that makes clear to one skilled in the art that the missing limitation "is necessarily present" in the *Parthasarathy* disclosure. See *id.*; see also *Continental Can Co. v. Monsanto Co.*, 948 F.2d 1264, 1269 (Fed. Cir. 1991).

*Parthasarathy* does not anticipate claims 1-20 as amended because it fails to disclose several elements recited in claims 1-20. Independent claim 3 recites, among other things, "a plurality of firm offers to borrow" and "a plurality of firm offers to lend." Similarly, independent claim 1 recites "a firm offer to lend" and "a firm offer to borrow." *Parthasarathy* does not teach or suggest these features, among others.

As explained in the previous response, *Parthasarathy* teaches that a borrower and matching lender may negotiate the terms of a matching offers and opt out of making a deal at any time because the disclosed offers to borrow and lend are not firm offers. (Paras. 55, 57). The *Parthasarathy* system merely introduces the parties to each other for further negotiation if their parameters match. *Parthasarathy* does not teach firm offers to borrow or firm offers to lend because, when a match occurs, *Parthasarathy* teaches that: 1) a borrower may decline to contact a matching lender (para. 56), and thus no loan will be created despite the match; 2) a lender may decline to deal with a matching borrower (para. 57), and thus no loan will be created despite the match; 3) the subsequent negotiations may fail (para. 66), resulting in no loan being created despite the match; and 4) the parties may change the attributes of their offers to lend and borrow via negotiation (abstract, paras. 59, 60).

Similarly, *Parthasarathy* does not teach or suggest “creating a secured loan between the lender and the borrower if the lender’s firm offer to lend matches the borrower’s firm offer to borrow, without an option to alter the attributes of the firm offer to lend and the firm offer to borrow” as recited in claim 3. As explained above, *Parthasarathy* teaches that the borrower and seller always have the option to alter the attributes of the offer to lend and the offer to borrow, or to cancel the loan transaction entirely, because the offers are not firm.

The independent claims recite other features not taught or suggested by *Parthasarathy*. Independent claim 3, for example, recites, among other things, “providing, to a plurality of lenders and the plurality of borrowers, information about the plurality of offers to borrow;” and “providing, to the plurality of borrowers and the plurality

of lenders, information about the plurality of offers to lend.” Similarly, claim 1 recites that “the borrowing and lending information from the database is made available to borrowers and lenders.” *Parthasarathy* fails to disclose these features.

*Parthasarathy* teaches a system that implements a lending and borrowing forum that introduces a potential borrower to one or more potential lenders, or a potential lender to one or more potential borrowers, based on loan offer parameters entered by the participants. (Abstract; paras. 12, 13, 34). The *Parthasarathy* system connects lenders and borrowers whose loan offer parameters match each other, so that they can potentially negotiate a loan agreement. (Abstract, paras. 12-15). In the *Parthasarathy* system, a potential borrower sees the offers of matching lenders, and a potential lender sees the offers of matching borrowers. (Paras. 54-57, 69). *Parthasarathy* does not teach providing, to a plurality of lenders and the plurality of borrowers, information about the plurality of offers to borrow because *Parthasarathy*’s borrowers see only the matching lenders’ data, not the data of other borrowers. Similarly, *Parthasarathy* does not teach providing, to the plurality of borrowers and the plurality of lenders, information about the plurality of offers to lend because *Parthasarathy*’s lenders see only the matching borrowers’ data, not the data of other lenders. In short, *Parthasarathy* does not create a market for collateralized loans with the borrower offer information and the lender offer information available to both lenders and borrowers so that an efficient “market price” for loans can be determined.

In the Office Action mailed November 30, 2005, the Examiner notes that *Parthasarathy* teaches a plurality of borrowers and lenders. (Office Action at page 3). Applicants do not disagree with this, but it misses the point that *Parthasarathy* does not

teach or suggest “providing, to a plurality of lenders and the plurality of borrowers, information about the plurality of offers to borrow;” and “providing, to the plurality of borrowers and the plurality of lenders, information about the plurality of offers to lend.” As explained above, *Parthasarathy* teaches that participants only receive information about potentially matching loan offers, not about other loan offers submitted to the system. *Parthasarathy* does not anticipate this feature because *Parthasarathy*’s participants do not receive information about the “market” of borrowing offers and lending offers that do not match their offers.

For at least the foregoing reasons, *Parthasarathy* does not disclose each and every element recited in independent claim 3, and independent claim 3 is therefore allowable over *Parthasarathy* . Independent claims 1, 12 and 20 recited similar elements and are therefore allowable for at least the same reasons. In addition, dependent claims 2, 4-11, and 13-19 are allowable at least by reason of depending from an allowable base claim.

In view of the foregoing amendments and remarks, Applicant respectfully requests reconsideration of this application and the timely allowance of the pending claims.

Please grant any extensions of time required to enter this response and charge any additional required fees to our deposit account 06-0916.

Respectfully submitted,

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